

January 22, 2008

Mr. Barry Wood
Department of Local Government Finance
Indiana Government Center North
100 North Senate Avenue N 1058
Indianapolis, IN 46204

RE: Marshall County 2007 Pay 2008 Ratio Study Reports

Dear Barry,

Attached to this email are Marshall County's 2007 Ratio Study Report and "worksheet value data" showing all parcel values for assessment years 2006 and 2007. This letter is for your review on Marshall County's process for adjusting our values annually.

RESIDENTIAL PROPERTY

Sales Disclosures – We are averaging 3000+ sales disclosures per year and are seeing our process of validating sales improving each year. All valid (and maybe) sales have been considered and given us a baseline for evaluating our market prices. Sufficient numbers of vacant land sales were also used to determine our accuracy in establishing land values.

Appeals – We are tracking on maps our appealed areas from last year to identify problem areas. These maps were studied as we reviewed assessments for 2007. The appraisals submitted as evidence with an appeal are also being logged.

MLS and Listings – We are using MLS and Listings as another review, especially in our higher-priced areas. This information is being given to our PTABOA.

Foreclosures – We did a study of Sheriff Sales to see if they were concentrated in one particular area and found them not just in one area, but spotted throughout our county. We will continue to watch for changes in the market.

Rental Data – This was our second year for taxpayers to submit rental information (questionnaire and Sch. E from Federal Taxes). We have worked with owners of rental housing to establish our Gross Rent Multipliers and market rents in Marshall County.

Union Township Residential Improved – Culver Cove Condominiums are shown as Class Code 411 because they are more like a commercial structure (hotel) than other condos in the Culver area. We are showing them in Res. Improved as they are residential use. All other condominiums in our county are Class Code 550.

Jellystone Park – We have stratified out the Jellystone Park sales from West Township Residential Improved because these campground sales prices do not affect the market values in the rest of West Township.

Duplicate sales have been omitted, and multiple sales were used. We have time adjusted all 2004 sales prices, and the calculations can be seen at the red comment indicator within the sales price cell. In comparing assessments to valid sales prices, the AV's reflect the intended use of the property. Vacant land sales that are now improved are shown in the

reports by extracting the improvements, and we removed “developer’s influence” to show assessment to be at market value.

COMMERCIAL/INDUSTRIAL PROPERTY

Sales Disclosures, 2006 Appeals and Appraisal Data – The commercial market was studied in Marshall County by analyzing sale prices of improved and vacant land on maps, along with listing prices and identifying appealed areas. It was determined that the land base rates in Union Township Comm/Industrial neighborhoods (Town of Culver at Lake Maxinkuckee) needed to be modified before the application of the annual adjustment factors could be calculated. We increased the land base rates based on valid sales prices, and then calculated and applied the trending factor to both land and improvements, which resulted in values falling into line.

Income Approach to Value – Appeals of large apartment complexes have helped us establish our cap rates and unit cost of apartments. We have been able to get very good data to establish values from rental information as we requested from landlords.

Cost Data – We are beginning to look at cost data from builders and other sources on cost to build storefront malls, gas stations (convenience stores), fast food, etc, to establish our base. Being so close to reassessment, we are planning on updating our cost tables prior to establishing our Land Value base rates.

Industrial Vacant – There were insufficient industrial vacant land sales in Marshall County that were arms-length transactions to show in a ratio study. We applied trending factors to the vacant industrial parcels based on a countywide study of sales.

Marshall County has 6 “Industrial Report” properties (large) that are studied separately from all other industrial parcels in the county. Trending factors are not applied to these 6 parcels because the assessments have been carefully reviewed annually based on data we use from appeals, new construction, etc. We now have a good sale of one of these properties that shows that our assessment is in line with the market value.

Since the majority of Marshall County is a rural farming community and not all townships had a sufficient number of valid improved commercial and industrial sales in 2005 and 2006, I have grouped those township sales in one countywide report. Please see the tab labeled “Countywide”.

Thank you,

Debbie Dunning
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